



FAIR POLITICAL PRACTICES COMMISSION

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To: Interested Persons

Subjects: (1) Campaign Forms and (2) City and Counties' Online SEI Filing Programs

Date: IP Meeting on November 13, 2012 at 10:00 a.m.

An Interested Persons meeting is scheduled for November 13 beginning at 10:00 a.m. at the FPPC Commission Hearing room. The meeting will discuss (1) changes to campaign forms and (2) a new regulation concerning city and counties' online SEI filing programs, to be considered at the December 13, 2012 Commission meeting.

You may participate in this interested persons meeting in person, or via teleconference by calling (888) 751-0624; access code 723284. For questions about participating by phone, please contact Virginia Latteri-Lopez at (916) 322-5660. The Commission invites written comments addressing these topics. You may also contact Lynda Cassady, Chief of Technical Assistance, with comments on form changes, or Hyla Wagner, Senior Commission Counsel, with comments on the online SEI regulation at (916) 322-5660.

1. Campaign Forms

Several campaign form instructions will be updated to reflect legislative changes in the Political Reform Act effective in 2013. One new form is proposed. It is expected the changes will be available for review on FPPC's website on November 8, 2012. Another IP notice will be emailed.

The updated instructions are to the following forms:

Form 501 - Candidate Statement of Intention
Form 410 - Statement of Organization
Form 496 - Independent Expenditure Report
Form 497 - Contribution Report
Form 470 - Officeholder/Candidate Short Form.

New Form for verification of independent expenditures.

The legislative changes are summarized below:

- Local agencies may adopt electronic filing programs and eliminate paper copies. (AB 2452)
- The definition of late contribution and late independent expenditure was amended to expand the applicable time period from 16 days to 90 days before an election. (AB 481)
- Most individuals seeking a political party central committee position will no longer file campaign reports. (AB 2191)
- A principal officer must sign a verification form with the FPPC stating that communications reported as an independent expenditure meet the legal standards and there has been no reimbursement. (AB 481)
- New fee for recipient committees. (SB 1001)

2. Local Agencies' Online SEI Filing Programs

A. Background. AB 2062 (Davis) took effect on September 24, 2012, authorizing local agencies to permit electronic filing of a statement of economic interests (SEI), in accordance with regulations adopted by the FPPC. The bill requires the Commission to approve and certify an electronic filing system proposed by an agency, upon payment by the agency of a fee of \$1,000 to the Commission, if the system meets prescribed requirements. Under Section 87500.2, an agency's proposed electronic filing system must do the following:

- An SEI filed electronically shall include an electronic transmission that is submitted under penalty of perjury and conforms to the requirements of California Civil Code Section 1633.11(b) about secure electronic signatures.
- The agency's filing officer shall issue to a person who files his or her SEI electronically, an electronic confirmation that the statement was received.
- The agency shall use an electronic filing system for SEIs that includes layered security to ensure data integrity.
- The agency shall provide the public with a copy of an official's SEI upon request.

The legislation further provides that the Commission may adopt regulations to require that an agency redact information on an SEI prior to the agency's posting the SEI on the Internet. (Section 87500.2(e).) Specified cities and counties that participated in the pilot program for online SEIs are exempted by AB 2062 from the \$1,000 fee and are permitted to use the system they developed for the pilot program until the Commission adopts regulatory specifications. (Section 87500.2(h).)

B. Proposed Regulation 18756 – Statements of Economic Interests: Certification of Electronic Filing Systems. As required by Section 87500.2, the proposed regulation sets forth the requirements for a city or county to obtain approval and certification of an online SEI filing system from the Commission. A local agency will be required to submit a description of its proposed electronic filing system to the FPPC. The draft regulation will be available for review and comment at <http://www.fppc.ca.gov/index.php?id=450>. The regulation may require the agency's electronic filing system to include:

- Secure Sockets Layer (SSL) technology
- Firewalls
- Complex password requirements
- Password encryption
- Data redundancy capability
- Disaster recovery capability
- Permanent redaction capability

The regulation may require the agency to update its electronic filing yearly to conform to Commission-approved changes to the SEI forms and may specify the timeframes within which the Commission will complete the review of an agency's proposed electronic SEI program. It may require or permit redaction of certain information from a public official's SEI that is publicly available on the Internet. The regulation may specify when recertification of an agency's system is required.